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JOB EVALUATION

A Basis for Sound Wage Administration

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Psychological Research Services,
Western Reserve University*

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The National Screw &
Manufacturing Company*

Second Edition

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To

Elodie and Marjorie

for their encouragement

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Preface to the Second Edition

THE ATTEMPT OF THE FIRST EDITION TO construct an organized presentation of the field of job evaluation has met with gratifying acceptance. Accordingly, in this revision, we have retained the plan of the first edition. We have presented the principles and meaning of various systems of job evaluation and pointed out the individual steps necessary in establishing wage and salary administration procedures based on job evaluation. The emphasis on practical, tested, "how-to-do-it" examples has been retained and, we trust, improved; for it has become apparent that those who use this book desire suitable attention to mechanical details, as well as to general principles.

In order to stimulate the application of the principles and procedures of job evaluation to practical situations, case problems at the end of each chapter have been added in this edition. Any similarity of the facts in any case problem to those in any given company is purely coincidental.

The technique of job evaluation is now widely accepted as sound and effective business procedure. The administration of the pay systems thus established is a recognized function in a large segment of modern industrial management. It has seemed logical, therefore, to resist any impulse to include in the scope of this work associated material in other very closely related activities in industrial relations, personnel, and general management. We have attempted to limit references to merit rating, collective bargaining, incentive pay systems, and so on, to the material necessary to describe the liaison between job evaluation and these other fields. Many of these related fields are covered in books devoted solely to the subject or as major sections of more general treatises.

In preparing this edition of *Job Evaluation*, the authors have received invaluable suggestions and criticisms from readers of the first edition and practitioners of wage and salary administration. For this friendly assistance, the authors are most grateful.

In addition to expressing sincere gratitude to the many colleagues,

friends, and other interested persons who so conscientiously offered helpful criticism, the authors wish to acknowledge again the outstanding services of Mrs. Jean D. Clyde, who efficiently and carefully guided the detailed operations essential to completing successfully a revision of this kind.

The authors were guided in their revision by the many helpful suggestions made by Professor Dale Yoder and Professor Edgar Williams, who read the revision in manuscript.

Cleveland, Ohio

THE AUTHORS



Preface to the First Edition

FOR SOME TIME THE AUTHORS HAVE FELT the need, in their respective fields of education and industry, for an organized presentation of the essentials of wage and salary administration based on job evaluation. With a book of this type it is possible to conduct a college course on the subject without depending on reading material of limited scope and point of view. Likewise, such a book makes it unnecessary for business executives, their employees, and union representatives to rely on their individual abilities to distill out of the many separate sources an understanding of the essence of sound wage and salary administration and its techniques.

The development of methods to secure a sound wage administration policy is similar to the growth found in other categories of science and business. Isolated pioneering and experimentation with individual techniques in the teens of this century when modern scientific management was developing, followed by refinement and combination of these techniques, have led to a more or less well-defined field which can be designated by the term "Wage and Salary Administration." As an integrated business function, however, the latter is rarely found in a highly developed state. Some companies analyze and describe jobs before establishing pay rates and incentive payment plans; others have arbitrary, symmetrical pay structures, and still other have elaborate wage control systems without a standard pay structure.

In the literature of wage and salary administration, the *meaning* of the individual job evaluation operations in relation to the objectives of the entire job evaluation and wage determination process has seldom been explored. Rogers' characterization of the field of counseling is rather applicable in this connection: ". . . a field where good intentions and a desire to be of assistance have been accepted as substitutes for the careful formulation of the principles involved."* The authors have attempted to delineate the principles of sound wage and salary administration based upon job evaluation and to present them, together with illustrations of tech-

*Rogers, Carl R., *Counseling and Psychotherapy* (Boston: Houghton Mifflin Company, 1942), p. 16.

niques, in a single volume. The executive, the union leader, and the student can concentrate on the basic essentials and achieve an understanding of each aspect of wage and salary administration. The readers then may study critically the various individual systems and adapt one or more to their own particular uses.

No informed person believes that job evaluation will eliminate completely the strife and conflict caused by basic wage demands. However, organizations whose wage and salary structure is based upon sound job evaluation procedures have the facts and methods for dealing fairly with the numerous wage grievances which arise. Thus, the strife and conflict in the cases of individual employees is reduced; such a decrease in friction tends to promote more stable working relationships among management, employees, and unions.

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We wish to thank the many authors, editors, and publishers who granted permission to quote original material. In these cases full credit has been given to both author and publisher; any omission which may be discovered is not due to intent. Special thanks are due the American Management Association, the National Industrial Conference Board, the Ohio Bell Telephone Company, and the American Institute of Bolt, Nut and Rivet Manufacturers for permission to quote extensively from their records. A debt of gratitude is due the members of the staff of the Personnel Research Institute of Western Reserve University for their many contributions, and to the National Screw and Manufacturing Company, which not only granted permission to quote from their records, but also permitted the authors access to their files of job evaluation data.

We are also indebted to H. P. Ladds, George R. Kloppman, Herman H. Lind, H. J. McMahon, C. C. Lane, E. A. Mentges, W. C. Treuhaft, Hazel K. Allen, C. Forest Bookman, Jr., and A. H. Laning for the opportunity to work on a wide variety of problems in the field of wage administration and to draw upon the experiences thus gained for much of the material presented in this book.

We sincerely appreciate the constructive advice and assistance furnished by friends and colleagues. To Marjorie Leukart, David J. Chesler, and Irene Salmi who spent many hours in editing and criticising the manuscript, to Howard R. White who is primarily responsible for the bibliography, to Marjorie Mitchell Parks for statistical assistance, and to Jean D. Clyde, Anne Polzer, and Bertha Petschauer who typed the manuscript, our many, many thanks.

THE AUTHORS

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